



FINANCIAL STATEMENTS

AND

AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2018



Clothier & Company CPA's P.C.

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Frontier Country Marketing Association, Inc.
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June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Frontier Country Marketing Association, Inc.

We have audited the accompanying financial statements of Frontier Country Marketing Association, Inc. (a nonprofit organization), which comprise the Statement of Financial Position-Modified Cash Basis as of June 30, 2018, and the related Statement of Activities-Modified Cash Basis, Statement of Functional Expenses, and Statement of Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes the determination that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements, and the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Frontier Country Marketing Association, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Sources of Revenue Schedule and Schedule of Reconciliation of Cash Expenditures to Amounts Claimed, as required by the Oklahoma Tourism and Recreation Department (OTRD), are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The accompanying Schedule of Advertisers-Not Audited, as required by the Oklahoma Tourism and Recreation Department (OTRD), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Budget to Actual Comparison on Page 21 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Budget to Actual Comparison is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In Accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2019, on our consideration of Frontier Country Marketing Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report solely is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Frontier Country Marketing Association, Inc.'s internal control over financial reporting and compliance.



Clothier & Company, CPA's, P.C.

January 16, 2019

Frontier Country Marketing Association, Inc.
Statement of Financial Position-Modified Cash Basis
June 30, 2018

ASSETS

Current Assets

Cash and cash equivalents \$ 13

Total Current Assets 13

Fixed Assets

Fixed assets 52,854
Accumulated depreciation (49,740)

Total Fixed Assets 3,114

Total Assets \$ 3,127

LIABILITIES AND NET ASSETS

Current Liabilities

Payroll tax liabilities \$ 2,110
Loans payable-current 26,377

Total Current Liabilities 28,487

Long Term Liabilities

Loans payable 10,864

Total Long Term Liabilities 10,864

Net Assets

Unrestricted (53,298)
Increase (Decrease) in Net Assets 17,074

Total Net Assets (36,224)

Total Liabilities & Net Assets \$ 3,127

See accompanying notes and independent auditor's report.

Frontier Country Marketing Association, Inc.
Statement of Activities-Modified Cash Basis
June 30, 2018

UNRESTRICTED NET ASSETS

Revenue and Gains

Membership dues/Annual meeting	\$	23,378
Matching funds		89,594
Advertising income		110,777
Brochure distribution		934
Coop advertising		29,045
Fundraisers		16,915
Social media/Graphic design		6,194
Other income		10,980
Discounts given		(55)
		287,762

Total Revenue and Gains

Expenses

Advertising/promotional		107,236
Administrative expenses		163,452
		270,688

Total Expenses

Increase (Decrease) in Unrestricted Net Assets

17,074

RESTRICTED NET ASSETS

Revenues and Gains

0

Increase (Decrease) in Net Assets

\$ 17,074

See accompanying notes and independent auditor's report.

Frontier Country Marketing Association, Inc.
Statement of Functional Expenses
June 30, 2018

	Program	Administrative	Total
Salaries and payroll taxes	\$ 0	\$ 90,901	\$ 90,901
Employee benefits	0	0	0
Insurance	0	698	698
Travel expense	0	4,608	4,608
Interest/finance charges	0	6,298	6,298
Office/postage expenses	0	9,403	9,403
Professional fees	0	0	0
Repairs and maintenance	0	1,457	1,457
Contract Labor	0	7,230	7,230
Rent/parking	0	9,225	9,225
Utilities/telephone/internet	0	12,145	12,145
Dues and subscriptions	0	105	105
Miscellaneous	0	15,761	15,761
Education/sponsorship	0	0	0
Printing	5,042	1,048	6,090
Depreciation	0	1,190	1,190
Distribution/publications	0	0	0
Co-op advertising	21,774	0	21,774
Travel shows/conventions	9,704	0	9,704
Newspaper/magazine/media.	36,665	0	36,665
Special events	12,645	2,177	14,822
Guides/coupon book	21,406	0	21,406
Website expansion/maintenance	<u>0</u>	<u>1,206</u>	<u>1,206</u>
Totals	\$ <u>107,236</u>	\$ <u>163,452</u>	\$ <u>270,688</u>

See accompanying notes and independent auditor's report.

Frontier Marketing Association, Inc.
Statement of Cash Flows
June 30, 2018

Cash Flows From Operating Activities:	
Net income (loss)	\$ 17,074
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation Expense	1,189
(Increase) decrease in other assets	0
Increase (decrease) in accrued expenses	(2,770)
	15,493
 Cash Flows From Investing Activities	
Purchase of Equipment	0
	0
 Cash Flows From Financing Activities	
Payments of long term debt, net proceeds	(18,487)
	(18,487)
Increase (Decrease) in cash	(2,994)
	3,007
Cash and Cash Equivalents, July 1, 2017	3,007
	3,007
Cash and Cash Equivalents, June 30, 2018	\$ 13
	13
 Supplemental disclosure of Cash Flow Information:	
Cash paid for interest expense	\$ 6,528
	6,528

See accompanying notes and independent auditor's report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

General Statement

The Frontier Country Marketing Association, Inc. is a multi-county organization established under the laws of the State of Oklahoma. The purpose of the Association is to promote and encourage the development of tourism and commerce through various forms of advertising and promotion.

Reporting Entity

Frontier Country Marketing Association, Inc. prepares its financial statements on the modified cash basis, a basis other than generally accepted accounting principles. Accordingly, revenues are reported in the year received rather than when earned, and expenditures are recognized when paid rather than when the obligation is incurred.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents are considered to be highly liquid depository accounts with a maturity of less than three months.

Revenue Sources

The Association derives a significant portion of its income from advertising sales and managed cooperative advertising, as well as contributions and the sale of memberships. These revenues come mainly from business enterprises in the twelve county area of central Oklahoma known as Frontier Country. The remainder of revenues is derived from the State of Oklahoma and fund raising events. The Organization presents periodic reports to the State showing expenses paid, and the State reimburses the organization for one hundred percent of the allowable expenses, limited to the amount allocated to Frontier Country Marketing Association, Inc. Reimbursements from the state are recorded as income in the fiscal year in which they are received.

Fixed Assets

Equipment is recorded at historical cost. Depreciation is computed on the straight-line basis over its estimated useful life. Frontier Country Marketing Association's capitalization policy is to capitalize any equipment over \$500. Any purchases of equipment under \$500 is expensed in the period purchased.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax

The Internal Revenue Service has determined that the Association meets the requirements of the Internal Revenue Code making it exempt from federal income tax under Section 501(c)(6) of the Code.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

Frontier Country Marketing Association, Inc.

2. CASH AND INVESTMENTS

The Frontier Country Marketing Association, Inc. maintains its cash accounts in one bank at BancFirst. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2018 all receipts were insured.

3. REIMBURSEMENT FROM THE STATE OF OKLAHOMA

As described in Note 1, the Organization receives funding from the State of Oklahoma in the form of the reimbursement of 100% of allowable expenditures, limited to the amount allocated by the state for matching funds. State reimbursements are identified according to the fiscal year program from which the State makes the payments. Frontier Country Marketing Association, Inc. was allocated \$108,340 for 2018 and received \$89,595 during the fiscal year in matching funds. \$50,065 of the funds received during 2018 were from the 2017 contract, and the remaining \$68,810 of the 2018 contract should be collected in the next fiscal year. The reimbursements are approximately 31.13% of the total revenue for the Association during their fiscal year.

Total expenditures for the organization were \$270,688. The state reimbursed 33.10% of the total expenditures for a total of \$89,595, which was the amount paid by the state as matching funds for Frontier Country Marketing Association, Inc. for fiscal year end 6/30/2018.

4. PROPERTY AND EQUIPMENT

The following is an analysis of property and equipment, at cost, and related depreciation at June 30, 2018: The property and equipment have been depreciated on the straight-line method according to their respective lives.

	Cost Basis 6/30/2017	Additions/ (Deletions)	Accumulated Depreciation	Book Value 6/30/2018
Fixed assets	52,854	0	(49,740)	3,114
TOTALS	52,854	0	(49,740)	3,114

5. LEASE AGREEMENT

Office facilities are leased on a month-to-month basis. Equipment is leased under a long-term operating lease. Rental expense on office facilities and equipment approximated \$9,225. In October 2017, the Association moved to a new office in Norman for \$725 a month. This move has helped to lower their amount paid in rent for the year by \$9,900 compared to 2017.

6. ADVERTISING COSTS

Because Frontier Country Marketing Association, Inc. is in the business of promoting the development of tourism and commerce through various forms of advertising, all advertising costs are expensed in the period paid and none of the costs are capitalized.

7. DEBT

Frontier Country Marketing Association, Inc. purchased new computer equipment using Dell Business Credit in prior years. There were no new purchases during the current year; however, the interest rate has increased to 24.74%, and the principal balance is \$4,691 as of June 30, 2018.

In April 2016, a 9 month note was financed by BancFirst in the amount of \$56,000 and closing costs of \$145, with an interest rate of 6%. On June 28, 2017, Frontier Country Marketing Association, Inc., refinanced the note with the intent to extend their amount of time allowed to pay. They will now be making 8 quarterly payments in the amount of \$6,817.15 beginning October 28, 2017. Refinancing brought their principal balance to \$50,731.29 due to accrued interest on their unpaid balance of the original loan.

A summary of long-term debt transactions for the year ended June 30, 2018 follows:

Due To	Balance 6/30/2017	Payments on Principal	Additions to Principal	Balance 6/30/2018
Dell Credit	\$ 4,997	\$ 306	\$ 0	\$ 4,691
BancFirst	50,731	18,181	0	32,550
Totals	\$ 55,728	\$ 18,487	\$ 0	\$ 37,241

Future maturities and debt service on debt as of June 30, 2018:

Year End	Dell Credit		Year End	BancFirst	
	Future Maturity	Debt Service		Future Maturity	Debt Service
6/30/2019	\$ 488	\$ 1,562	6/30/2019	\$ 25,889	\$ 27,269
6/30/2020	742	1,704	6/30/2020	6,661	6,761
6/30/2021	950	1,704			
6/30/2022	1,214	1,704	Total	\$ 32,550	\$ 34,030
6/30/2021	1,297	1,452			
Total	\$ 4,691	\$ 8,126			

8. LEAVE

Frontier Country Marketing Association provides 20 days per year to its full time employees for the purposes of leave. Since they are on a cash basis of accounting, the Association does not accrue leave.

9. SUBSEQUENT EVENTS

The matching funds contract for Frontier Country Marketing Association, Inc. for the 2018/2019 year is expected to be approximately \$108,000. Frontier Country is exploring new fundraising events. They have an opportunity to host a Wine & Chocolate Festival in February of 2019 with the proceeds going to the Association, and they have been asked to consider bringing this type of event to another location as well.

Supplementary Information

Frontier Country Marketing Association, Inc.
Sources of Revenue Schedule
June 30, 2018

Membership/Annual Meeting	\$ 23,378
Matching Funds	89,594
Advertising Income	111,711
Co-op Media Advertising	29,045
Fundraisers/Events/Other Income	34,089
Discounts Given	(55)
Interest Income	<u>0</u>
	<u><u>\$ 287,762</u></u>

Frontier Country Marketing Association, Inc.
Schedule of Reconciliation of Cash Expenditures to Amounts Claimed
June 30, 2018

	<u>Allowable Expenditures Claimed</u>	<u>Discretionary Expenditures</u>	<u>Total Expenditures</u>
EXPENDITURES:			
Administrative Expenses	\$ 3,250	\$ 69,301	\$ 72,551
Administrative Wages	21,668	69,233	90,901
Other Expenses	0	0	0
ADVERTISING & PROMOTIONAL:			
Print /Production	26,257	191	26,448
Media Advertising	29,212	24,635	53,847
Literature Distribution	3,971	621	4,592
Travel Shows	939	8,765	9,704
Other "Promotion"	4,298	8,347	12,645
	<u>\$ 89,595</u>	<u>\$ 181,093</u>	<u>\$ 270,688</u>

Frontier Country Marketing Association, Inc.
Accountability Notice
June 30, 2018

The following schedules are provided by Frontier Country Marketing Association, Inc., as required by the Oklahoma Tourism and Recreation Department in the format specified by the department. The amounts are not intended to agree to the financial statements and have not been audited as stated in the Independent Auditors' Report.

**Frontier Country Marketing Association, Inc.
Schedule of Advertisers-Not Audited**

As of June 30, 2018

Date	Name	Memo	Paid Amount
Ad Sales			
07/18/2017	City of El Reno - Tourism	2018 FC Travel Guide-1/2 page ad	1,237.50
07/18/2017	City of El Reno - Tourism	2018 Trips on a Tank Full-ad placement	325.00
07/18/2017	City of El Reno - Tourism	FC RVing Brochure-ad placement	200.00
07/18/2017	City of El Reno - Tourism	tile ad placement on oktourism.com: homepage	375.00
07/18/2017	City of El Reno - Tourism	advertised in FC E-Newsletter:showcase story	585.00
07/21/2017	City of Yukon	Inside Front Cover	2,320.25
07/21/2017	City of Yukon	Full Page in 2018 FC Insiders Guide	620.89
07/21/2017	City of Yukon	home page tile ad placed on oktourism.com:	893.36
07/21/2017	City of Yukon	August Showcase Story, September Showcase Story, May Showcase Story	290.34
07/21/2017	City of Yukon	E-Newsletter Takeover November	201.01
07/21/2017	City of Yukon	Tyler Media Radio Thursday's Travel Tidbit spot(s) - Package 1 on Magic 104.1 for 10/5/17 & 11/1...	375.21
07/21/2017	City of Yukon	Tyler Media Radio Thursday's Travel Tidbit spot(s) Pkg. 3 on KJKE for 11/16/17 & 5/31/18	416.90
07/21/2017	City of Yukon	Digital Bulletin OKC Metro: 8/25-8/31; 10/1-10/7; 4/29-5/5; 5/27-6/2	1,772.83
07/21/2017	City of Yukon	Digital 48w x 14h Board for 4 weeks - Nov. 15-Dec. 12	1,563.38
07/21/2017	City of Yukon	Digital 48w x 14h Board for 1 week - June 28-July 4	781.69
07/24/2017	Visit Norman	1/2 page ad	151.52
07/24/2017	Visit Norman	1/2 page ad	151.52
07/24/2017	Visit Norman	1/2 page ad	202.04
07/24/2017	Visit Norman	1/2 page ad	303.07
07/24/2017	Visit Norman	tile ad placed on oktourism.com:	27.55
07/24/2017	Visit Norman	tile ad placed on oktourism.com:	13.78
07/24/2017	Visit Norman	tile ad placed on oktourism.com:	18.37
07/24/2017	Visit Norman	tile ad placed on oktourism.com:	13.78
07/24/2017	Visit Norman	tile ad Trade for FP Ad in VN Visitor Guide	-27.55
07/24/2017	Visit Norman	tile ad Trade for FP Ad in VN Visitor Guide	-18.37
07/24/2017	Visit Norman	tile ad Trade for FP Ad in VN Visitor Guide	-151.52
07/24/2017	Visit Norman	tile ad Trade for FP Ad in VN Visitor Guide	-13.78
07/24/2017	Visit Norman	tile ad Trade for FP Ad in VN Visitor Guide	-13.78
07/24/2017	Visit Norman	E-Ad	18.37
07/24/2017	Visit Norman	E-Ad	36.73
07/24/2017	Visit Norman	E-Ad	18.37
07/24/2017	Visit Norman	E-Ad	24.49

Frontier Country Marketing Association, Inc.
Schedule of Advertisers-Not Audited
As of June 30, 2018

07/24/2017	Visit Norman	E-Ad Trade for FP Ad in VN Visitor Guide	-36.73
07/24/2017	Visit Norman	E-Ad Trade for FP Ad in VN Visitor Guide	-202.04
07/24/2017	Visit Norman	E-Ad Trade for FP Ad in VN Visitor Guide	-18.37
07/24/2017	Visit Norman	E-Ad Trade for FP Ad in VN Visitor Guide	-24.49
07/24/2017	Visit Norman	E-Ad Trade for FP Ad in VN Visitor Guide	-18.37
08/22/2017	Skeletons A Museum of Osteology	1/2 page ad in 2018 State of Oklahoma Travel guide	4,150.00
08/30/2017	Midwest City CVB/City of Midwest City	1/2 Page Ad for State Travel Guide	4,150.00
09/06/2017	Seminole Tourism Council	Back Cover	5,075.00
09/06/2017	Seminole Tourism Council	Back Panel	1,556.00
09/06/2017	Seminole Tourism Council	City Map	1,197.00
09/06/2017	Seminole Tourism Council	Home Page tile ad placed on oktourism.com:	150.00
09/06/2017	Seminole Tourism Council	Event Page tile ad placed on oktourism.com:	150.00
09/06/2017	Seminole Tourism Council	Digital Billboards by 9 Outdoor/OKC METRO:	1,786.00
09/06/2017	Seminole Tourism Council	Seminole Exit area: Static Board with 1 design	2,500.00
09/07/2017	Andy Alligators Fun Park	2018 TOTF Coupon	650.00
09/07/2017	Frontier City / White Water Bay	1/2 Page Ad in 2018 State of Oklahoma Travel Guide	4,150.00
09/11/2017	City of Yukon	Full Page Premium Ad in 2018 State Travel Guide	8,300.00
09/22/2017	Visit Norman	1/2 page ad	1,666.85
09/22/2017	Visit Norman	tile ad placed on oktourism.com:	151.52
09/22/2017	Visit Norman	E-Ad	202.04
09/26/2017	Edmond CVB	1/2 page ad	2,475.00
09/26/2017	Edmond CVB	Ad placement	500.00
09/26/2017	Edmond CVB	City map	1,197.00
10/16/2017	Oklahoma Historical Society	1/4 page ad	1,525.64
10/16/2017	Oklahoma Historical Society	1/4 page ad	44.36
10/16/2017	Oklahoma Historical Society	1 coupon	18.36
10/16/2017	Oklahoma Historical Society	1 coupon	631.64
10/16/2017	Oklahoma Historical Society	Home Page: tile ad placed on oktourism.com:	1,749.14
10/16/2017	Oklahoma Historical Society	Home Page: tile ad placed on oktourism.com:	50.86
10/17/2017	Visit Shawnee, Inc.	1/2 Page Ad in 2018 FCMA Travel Guide	2,475.00
10/17/2017	Visit Shawnee, Inc.	Listing on FC Map	337.00
10/17/2017	Visit Shawnee, Inc.	Logo Placement on 2500 Canvas Bags for Consumer Shows	300.00
10/25/2017	Heart of Oklahoma Chamber of Commerce	Tyler Media Radio Thursday's Travel Tidbit spot(s)	19.42

Frontier Country Marketing Association, Inc.
Schedule of Advertisers-Not Audited
As of June 30, 2018

11/30/2017	City of El Reno - Tourism	2018 FC Travel Guide-1/2 page ad	1,237.50
11/30/2017	City of El Reno - Tourism	2018 Trips on a Tank Full-ad placement	325.00
11/30/2017	City of El Reno - Tourism	FC RVing Brochure-ad placement	200.00
11/30/2017	City of El Reno - Tourism	tile ad placement on oktourism.com: homepage	375.00
11/30/2017	City of El Reno - Tourism	advertised in FC E-Newsletter:showcase story	585.00
11/30/2017	Jasmine Moran Children's Museum	2018 FC Travel Guide full page ad & Region Header Page	2,361.64
11/30/2017	Jasmine Moran Children's Museum	2018-2019 Military Guide	246.52
11/30/2017	Jasmine Moran Children's Museum	2018 Trips on a Tank Full	320.47
11/30/2017	Jasmine Moran Children's Museum	City Map and Listing on FC Map	756.31
11/30/2017	Jasmine Moran Children's Museum	2018 FC Insiders Guide Full Page Ad	616.78
11/30/2017	Jasmine Moran Children's Museum	Home Page tile ad placed on oktourism.com:	665.59
11/30/2017	Jasmine Moran Children's Museum	E-Newsletter: 3 Showcase; 5 e-newsletter ads; 1 Takeover	734.62
12/08/2017	Skeletons A Museum of Osteology	2018 FC travel guide - 1/2 pg ad	1,237.50
12/08/2017	Skeletons A Museum of Osteology	2018-19 FC Military Guide	250.00
12/08/2017	Skeletons A Museum of Osteology	2018 Listing on FC Travel Ma9	168.50
12/08/2017	Skeletons A Museum of Osteology	405 Magazine - 1/3 pg MUSEUM Issue	392.50
12/08/2017	Skeletons A Museum of Osteology	Consumer Show Distribution - 3 shows	225.00
12/08/2017	Skeletons A Museum of Osteology	BONUS: 1 color logo on 2500 Canvas Bags w/ bundle purchase	150.00
12/08/2017	Gaylord-Pickens Museum, Home of the OHOF	2018 FC Travel Guide - Region Header Page	178.64
12/08/2017	Gaylord-Pickens Museum, Home of the OHOF	2018 FC Travel Guide Full Page Ad	1,127.77
12/08/2017	Gaylord-Pickens Museum, Home of the OHOF	Home Page Tile Ad for 12 months	490.93
12/08/2017	Gaylord-Pickens Museum, Home of the OHOF	Full Page May Issue of 405 Magazine	622.11
12/08/2017	Gaylord-Pickens Museum, Home of the OHOF	Digital Billboards by 9 Outdoor/OKC METRO: September, October & November	2,147.80
12/08/2017	Gaylord-Pickens Museum, Home of the OHOF	Digital Billboards by 6 Outdoor/TULSA: November	715.93
12/08/2017	Gaylord-Pickens Museum, Home of the OHOF	48' W X 14'H Digital Board Dimensions: September 3-30; October 1-28; October 29-November 25	2,577.36
12/08/2017	City of Yukon	Inside Front Cover	2,320.27
12/08/2017	City of Yukon	Full Page in 2018 FC Insiders Guide	620.88
12/08/2017	City of Yukon	home page tile ad placed on oktourism.com:	893.36
12/08/2017	City of Yukon	August Showcase Story, September Showcase Story, May Showcase Story	290.34
12/08/2017	City of Yukon	E-Newsletter Takeover November	201.00
12/08/2017	City of Yukon	Tyler Media Radio Thursday's Travel Tidbit spot(s) - Package 1 on Magic 104.1 for 10/5/17 & 11/1...	375.21
12/08/2017	City of Yukon	Tyler Media Radio Thursday's Travel Tidbit spot(s) Pkg. 3 on KJKE for 11/16/17 & 5/31/18	416.90
12/08/2017	City of Yukon	Digital Bulletin OKC Metro: 8/25-8/31; 10/1-10/7; 4/29-5/5; 5/27-6/2	1,772.82

Frontier Country Marketing Association, Inc.
Schedule of Advertisers-Not Audited
As of June 30, 2018

12/08/2017	City of Yukon	Digital 48w x 14h Board for 4 weeks - Nov. 15-Dec. 12	1,563.38
12/08/2017	City of Yukon	Digital 48w x 14h Board for 1 week - June 28-July 4	781.69
12/08/2017	Heart of Oklahoma Chamber of Commerce	Tyler Media Radio Thursday's Travel Tidbit spot(s)	1,114.58
12/18/2017	Oklahoma Railway Museum	1/6 page ad in 2018 Travel Guide	612.50
12/18/2017	Oklahoma Railway Museum	Listing on FC Map	168.50
12/18/2017	Oklahoma Railway Museum	tile ad placed on Event Page oktourism.com: Sept.; Oct., Dec.; Mar	150.00
01/22/2018	Midwest City Parks & Rec Dept	Tyler Media Radio Package 6	1,260.00
01/22/2018	Midwest City Parks & Rec Dept	KMGL: Tyler Media Radio 5 weeks Pkg 5	2,625.00
01/22/2018	Midwest City Parks & Rec Dept	Home Page tile ad placed on oktourism.com:	150.00
01/22/2018	Midwest City Parks & Rec Dept	Events Page tile ad placed on oktourism.com:	75.00
01/22/2018	Midwest City Parks & Rec Dept	Dec takeover FC E-Newsletter:	405.00
05/30/2018	Midwest City CVB/City of Midwest City	2018 FC Travel Guide: Special Offer Inside Back cover + Calendar Header Free	2,675.00
06/18/2018	Oklahoma Railway Museum	2019 FC Travel Guided: 1/4 page and Jazz it up add on to description	910.00
06/18/2018	Oklahoma Railway Museum	2019-2020 FC Map: Listing	168.50
06/18/2018	Oklahoma Railway Museum	tile ad placed on oktourism.com: Event Page	187.50
06/26/2018	Frontier City / White Water Bay	2019 FC Travel Guide: 1/2 Page	2,475.00
Total Ad Sales			<u>100,491.68</u>

Co-op Advertising

07/24/2017	Visit Norman	Brochure Distribution: Bundle 3 shows	36.73
07/24/2017	Visit Norman	Brochure Distribution: Bundle 3 shows	27.55
07/24/2017	Visit Norman	Brochure Distribution: Bundle 3 shows	27.55
07/24/2017	Visit Norman	Brochure Distribution: Bundle 3 shows	55.10
07/24/2017	Visit Norman	Bro Dist. Trade for FP Ad in VN Visitor Guide	-55.10
07/24/2017	Visit Norman	Bro Dist. Trade for FP Ad in VN Visitor Guide	-36.73
07/24/2017	Visit Norman	Bro Dist. Trade for FP Ad in VN Visitor Guide	-303.07
07/24/2017	Visit Norman	Bro Dist. Trade for FP Ad in VN Visitor Guide	-27.55
07/24/2017	Visit Norman	Bro Dist. Trade for FP Ad in VN Visitor Guide	-27.55
09/22/2017	Visit Norman	Brochure Distribution: Bundle 3 shows	303.07
10/17/2017	Visit Shawnee, Inc.	Distribute at all 3 shows	450.00
06/26/2018	Frontier City / White Water Bay	2018 Get Your Jingle On FC Holiday Brochure Participation	500.00
Total Co-op Advertising			<u>950.00</u>

Frontier Country Marketing Association, Inc.
Schedule of Advertisers-Not Audited
As of June 30, 2018

Media CO-OP Ad

07/18/2017	City of El Reno - Tourism	OKC Kids Directory: ad placement: full page	341.00
07/21/2017	City of Yukon	Griffin Communications: Expandable Footer Ad for Aug. 25-31 & Apr. 29-May 5	496.31
07/21/2017	City of Yukon	Griffin Communications Digital Ad placement: Digital Presence - Targeted Advertising - Dec.	794.10
07/21/2017	City of Yukon	405 Magazine Ad placement: 1/3 pg for Sept. & 1/3 pg for Dec.	779.21
07/21/2017	City of Yukon	Total Traffic and Weather: May 28, 2018	1,260.00
07/24/2017	Visit Norman	Media Blitzes: Attend all 3	13.78
07/24/2017	Visit Norman	Media Blitzes: Attend all 3	13.78
07/24/2017	Visit Norman	Media Blitzes: Attend all 3	27.55
07/24/2017	Visit Norman	Media Blitzes: Attend all 3	18.37
07/24/2017	Visit Norman	Media Blit Trade for use of VN Vehicle	-151.52
07/24/2017	Visit Norman	Media Blit Trade for use of VN Vehicle	-18.37
07/24/2017	Visit Norman	Media Blit Trade for use of VN Vehicle	-27.55
07/24/2017	Visit Norman	Media Blit Trade for use of VN Vehicle	-13.78
07/24/2017	Visit Norman	Media Blit Trade for use of VN Vehicle	-13.78
08/07/2017	Midwest City Parks & Rec Dept	Tyler Media Pkg. 4 for Midwest Summer Fest	1,113.00
08/07/2017	Oklahoma Railway Museum	Destination OK 2018: 1/4 page ad	628.00
08/07/2017	Midwest City Parks & Rec Dept	Advertisement - 1/2 pg ad in July for Tribute to Liberty	699.00
08/22/2017	Jasmine Moran Children's Museum	405 Magazine Ad placement: May 2017 - 1/3 page ad	747.00
08/30/2017	Midwest City Parks & Rec Dept	tyler Media package 4, aired on August 3 doe Midwest Summer Fest	1,113.00
09/06/2017	City of Guthrie / Guthrie CVB	Fall Happenings Media Blitz, August 24 East I-40	75.00
09/06/2017	Sleep Inn & Suites Norman	Arnold Outdoor - 1 Digital (Sept 1 - Dec 31, 2017)	1,785.00
09/06/2017	Seminole Tourism Council	Digital Expandable Footer Ad	1,500.00
09/06/2017	Seminole Tourism Council	OKC Kids Directory: 1/2 page ad placement	210.00
09/07/2017	Visit Shawnee, Inc.	Destination OK 2018: Full page ad	2,512.00
09/07/2017	Visit Shawnee, Inc.	Destination OK 2018: Full page ad	-2,512.00
09/15/2017	City of El Reno - Tourism	Tyler Media Package 4 for Sept. 28	1,113.00
09/15/2017	City of El Reno - Tourism	I Heart Radio, Package 3 for Sept. 18-22	1,260.00
09/22/2017	Visit Norman	Media Blitzes: Attend all 3	151.52
10/17/2017	Visit Shawnee, Inc.	The Guide Book (RV Market): ad placement	400.00
10/17/2017	Visit Shawnee, Inc.	Destination Guide produced by Green Country	2,512.00
10/17/2017	Midwest City Parks & Rec Dept	Tyler Media Package #6 - Sept. 25-29, 2017	1,260.00
10/17/2017	Midwest City Parks & Rec Dept	Total Traffic and Weather - Sept. 25-29, 2017	1,040.00

Frontier Country Marketing Association, Inc.
Schedule of Advertisers-Not Audited
As of June 30, 2018

10/25/2017	Heart of Oklahoma Chamber of Commerce	OKC Kids Directory: ad placement in Dec 2017	3.60
10/25/2017	Heart of Oklahoma Chamber of Commerce	News 9 Outdoor: Digital bulletin	16.23
11/30/2017	City of El Reno - Tourism	OKC Kids Directory: ad placement: full page	341.00
11/30/2017	Jasmine Moran Children's Museum	OKC Kids Directory: 1/2 page ad placement (July, October, December, February, April and June	621.22
11/30/2017	Jasmine Moran Children's Museum	OKC Kids Directory: Premium Banner for all months except September	173.55
12/08/2017	City of Yukon	Griffin Communications: Expandable Footer Ad for Aug. 25-31 & Apr. 29-May 5	496.31
12/08/2017	City of Yukon	Griffin Communications Digital Ad placement: Digital Presence - Targeted Advertising - Dec.	794.10
12/08/2017	City of Yukon	405 Magazine Ad placement: 1/3 pg for Sept. & 1/3 pg for Dec.	779.21
12/08/2017	Heart of Oklahoma Chamber of Commerce	OKC Kids Directory: ad placement in Dec 2017	206.40
12/08/2017	Heart of Oklahoma Chamber of Commerce	News 9 Outdoor: Digital bulletin	931.77
12/18/2017	Oklahoma Railway Museum	Total Traffic and Weather: 9/11/17 and 9/18/17	1,040.00
01/22/2018	Midwest City Parks & Rec Dept	Half Page Horiz: 9/22/2017	699.00
01/22/2018	Midwest City Parks & Rec Dept	Tinker TakeOff Holiday Gift Guide	699.00
01/22/2018	Midwest City Parks & Rec Dept	Tinker TakeOff Full Page Christmas Event	1,199.00
01/22/2018	Midwest City Parks & Rec Dept	OKC Kids Directory: Back Cover ad placement	341.00
04/26/2018	Oklahoma Philharmonic	Destination OK 2018: 1/4 page ad	628.00
Total Media CO-OP Ad			<u>28,095.01</u>
TOTAL			<u>129,536.69</u>

Frontier Country Marketing Association, Inc.
Budget to Actual Comparison
June 30, 2018

	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Memberships	35,000	35,000	19,500	(15,500)
Media Co-Op Ads	144,573	144,573	29,045	(115,528)
Ad Sales	163,195	163,195	110,777	(52,418)
Annual Meeting	3,000	3,000	3,878	878
Graphic Design Service	4,000	4,000	2,063	(1,937)
Matching Funds	110,000	110,000	89,594	(20,406)
Fundraisers	30,000	30,000	16,915	(13,085)
Other Income/Interest	13,760	13,760	16,045	2,285
GPOK Consulting/Service	0	0	0	0
Discounts Given	0	0	(55)	(55)
Total Revenue	503,528	503,528	287,762	(215,766)
EXPENSES				
Promotion Expenses	265,648	265,648	107,236	(158,412)
Administrative Expenses	215,298	215,298	163,452	(51,846)
Other Expenses	21,500	21,500	0	(21,500)
Total Expenses	502,446	502,446	270,688	(231,758)
Revenue Over/(Under) Expenses	1,082	1,082	17,074	15,992

See accompanying footnotes and independent auditor's report.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Frontier Country Marketing Association, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Frontier Country Marketing Association, Inc. (a nonprofit organization), which comprise the Statement of Financial Position-Modified Cash Basis as of June 30, 2018, and the related Statement of Activities-Modified Cash Basis, Statement of Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 16, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Frontier Country Marketing Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Frontier Country Marketing Association, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that we consider to be

material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Clothier & Company, CPA's, P.C.

January 16, 2019